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ACTION DSE-00

AID-00 SS-00 ADS-00 INR-05 EB-05 DODE-00 INFO LOG-00 NSAE-00 COME-00 SSO-00 AMAD-01 L-02 NSCE-00 ARA-00 INRE-00 TRSE-00 PM-05 PA-02 CCO-00 CA-02 FAA-00 USSS-00 USIE-00 JUSE-00 FBIE-00 OC-02 FAIM-01 DS-01 /028 W SCT-02

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R 081704Z OCT 86 FM AMEMBASSY BOGOTA TO SECSTATE WASHDC 1812 USCINCSO QUARRY HEIGHTS PN INFO AMEMBASSY PANAMA CIA WASHDC USOFFICE ATO MIAMI

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TERREP

PANAMA FOR ADS

E.O. 12356: DECL: OADR
TAGS: ASEC, PTER, EPET, CO

SUBJECT: MORE ON SEPTEMBER 26 PIPELINE, HELICOPTER

BOMBINGS

REF: BOGOTA 14208

1. CONFIDENTIAL - ENTIRE TEXT

2. SUMMARY: DURING THE LAST SEVERAL DAYS, ECOPETROL, COLOMBIA'S STATE OWNED OIL COMPANY, HAS PUBLICIZED THE FULL EXTENT OF THE DAMAGES CAUSED IN THE SEPTEMBER 26 ATTACK ON THE CANO LIMON - RIO ZULIA - COVENAS PIPELINE AND THE CHEVRON INSTALLATIONS LOCATED AT THE ATTACK SITE. ECOPETROL'S INTENT SEEMS TO BE TO EDUCATE THE CONFIDENTIAL

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GUERRILLAS AND THE PUBLIC THAT ATTACKS ON THE PIPELINE, RATHER THAN HARMING THE MULTINATIONALS, ACTUALLY HURT ECOPETROL AND THE DOMESTIC ECONOMY. ACCORDING TO

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UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: OSCAR J. OLSON DATE/CASE ID: 24 OCT 2002 200201334

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ECOPETROL, DAMAGE TO THE LINE IS MORE EXTENSIVE THAN ORIGINALLY THOUGHT. END SUMMARY.

- THE SEPTEMBER 26 GUERRILLA ATTACK ON THE CANO LIMON-RIO ZULIA-COVENA PIPELINE OCCURRED IN ASERRIO IN THE NORTH SANTANDER REGION, ABOUT 75 MILES FROM ZULIA (PIPELINE KILOMETER 421) -- ROUGHLY IN THE MIDDLE OF THE THE EXPLOSION DESTROYED 2 METERS OF THE 24 INCH PIPELINE AND RESULTED IN AN OIL SPILL OF BETWEEN 15 AND 20 THOUSAND BARRELS, SOME OF WHICH FLOWED INTO THE CATATUMBO RIVER CAUSING SERIOUS ECOLOGICAL DAMAGE. RUPTURE OF THE PIPE CLOSED EMERGENCY VALVES PREVENTING AN EVEN LARGER SPILL.) THE VALUE OF THE SPILLED OIL, ALL OF WHICH WAS DESTINED FOR EXPORT, IS ESTIMATED AT 200 TO 300 THOUSAND DOLLARS. LINE REPAIR IS EXPECTED TO BE COMPLETED OCTOBER 8. THE REPAIR COST IS ROUGHLY US 800,000 DOLLARS, BRINGING TOTAL REPAIR COST DUE TO GUERRILLA VIOLENCE TO ROUGHLY US 10 MILLION. THE GOC HAD AUTHORIZED ECOPETROL/OCCIDENTAL TO PUMP 170,000 BPD DURING SEPTEMBER AND OCTOBER THROUGH THE PIPELINE TO MAKE UP FOR EARLIER PRODUCTION LOSSES.
- 4. THE ATTACK ON THE CHEVRON RIO ZULIA FIELD INSTALLATIONS (LOCATED WHERE THE PIPELINE WAS BOMBED) HAS RESULTED IN THE CLOSING OF THE FIELD AND THE LOSS OF ABOUT 2,000 BPD OF PRODUCTION OF PARAFFINIC CRUDE. COLOMBIA WILL BE FORCED TO IMPORT ROUGHLY 400 TONS OF PARAFFIN AND 5 THOUSAND BARRELS OF LUBRICANT BASES TO MAINTAIN PRODUCTION IN THE BARRANCABERMEJA PETROCHEMICAL PLANTS. THE COST OF THE IMPORTS IS ESTIMATED TO BE AT CONFIDENTIAL

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LEAST US 5 MILLION DOLLARS ANNUALLY. THE RIO ZULIA CRUDE WAS USED IN THE PRODUCTION OF HIGH QUALITY LUBRICANTS FOR THE AUTOMOTIVE AND OTHER INDUSTRIES.

5. THE THEFT AND DESTRUCTION OF THE HELICOPTERS REPORTED REFTEL WAS PERPETRATED BY 7 NATIONAL LIBERATION ARMY (ELN) GUERRILLAS. THE HELICOPTERS WERE ON CONTRACT TO WESTERN GEOPHYSICAL FROM AEROEXPRESO BOGOTA, A COLOMBIAN FIRM. THE HELICOPTER TAIL NUMBERS WERE HK 26-80 AND HK 30-09. INTERESTINGLY, THE CAPTAIN OF HK 26-80 WAS THE PILOT OF THE HELICOPTER THAT WAS TRANSPORTING HANS FISCHBORN WHEN HE WAS ABDUCTED LAST MARCH. FISCHBORN WAS CONSEQUENTLY MURDERED BY THE ELN.

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THE CONNECTION IS BEING INVESTIGATED. LOSSES ARE ESTIMATED AT ROUGHLY 200 MILLION PESOS (ONE MILLION DOLLARS).

6. COMMENT: ECOPETROL'S BELATED EFFORTS TO MAKE PUBLIC THE COST OF THE ATTACKS TO THE COLOMBIAN ECONOMY IS USEFUL. THE GUERRILLAS MAY CALCULATE THEY ARE HARMING THE MULTINATIONALS WHEN THEY ATTACK THE PIPELINE, WHEN IN FACT THE MAJORITY OF THE COST OF REPAIR ACCRUES TO ECOPETROL. IN THIS CASE ECOPETROL IS ALSO HIGHLIGHTING THE ECOLOGICAL DAMAGE DONE BY THE ATTACK AGAIN TO BRING PUBLIC PRESSURE TO BEAR ON THE GUERRILLAS TO CEASE THE ATTACKS. IT APPEARS UNLIKELY, HOWEVER, THAT THIS STRATEGY WILL KEEP THE GUERRILLAS FROM ATTACKING WHAT IS ESSENTIALLY A SOFT TARGET. ANOTHER QUESTION IS WHETHER THE REALIZATION OF COSTS SUCH ATTACKS ENTAIL WILL MOVE THE GOC TO DEVOTE MORE RESOURCES TO PROTECTING THE LINE. SKOL

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